

DARCO WATER TECHNOLOGIES LIMITED

(Company Registration No. 200106732C)

(Incorporated in the Republic of Singapore)

PROPOSED ACQUISITION – NOMINATION BY ZHANG ZHENGDA

The Board of Directors (the "**Board**") of Darco Water Technologies Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcements dated 11 August 2015, 13 August 2015, 28 December 2015, 15 February 2016, 24 February 2016, 17 March 2016 and 24 March 2016 in relation to the conditional sale and purchase agreement ("**SPA**") entered into by the Company with Wuhan Liankai Investment Co., Ltd (武汉联凯投资有限公司) ("**WHLK**"), Hong Kong Meidi Investments Holdings Co., Ltd. (香港美地投资(控股)有限公司) ("**HKMI**") and Mr. Zhang Zhengda ("**ZZD**") as the vendors (the "**Vendors**") in respect of the proposed acquisition by the Company of 60% of the total equity interest in the registered capital of Wuhan Kaidi Water Services Co., Ltd. (武汉凯迪水务有限公司) (the "**Target**") (the "**Proposed Acquisition**").

*Unless otherwise defined in this announcement, all capitalised terms used herein shall have the same meaning as defined in the circular to shareholders of the Company dated 24 February 2016 (the "**Circular**").*

The Company had on 7 April 2016 received a nomination letter from ZZD, nominating WHLK to be the recipient and holder of 2,486,179 Consideration Shares out of the 2,486,179 Consideration Shares to be allotted and issued to ZZD.

Accordingly, the number of Consideration Shares to be allotted and issued to each of the Vendor Parties at Completion is as set out in the table below. For the avoidance of doubt, the aggregate number of Consideration Shares remain unchanged:

Vendor Party	Original number of Consideration Shares to be allotted and issued as set out in the announcement released by the Company dated 24 March 2016	Revised number of Consideration Shares to be allotted and issued	As a percentage of the Enlarged Share Capital of the Company⁽¹⁾
WHLK	10,900,939	13,387,118	Approximately 25.584%
Jilead Technology Co., Ltd.	1,147,467	1,147,467	Approximately 2.193%
Wah Lee Industrial Corp. (華立企業股份有限公司)	4,589,869	4,589,869	Approximately 8.772%
ZZD	2,486,179	0	0.000%
Total	19,124,454	19,124,454	Approximately 36.55%

Notes:

(1) Calculated based on the Enlarged Share Capital of 52,326,632 Shares.

By Order of the Board

Thye Kim Meng
Managing Director and Chief Executive Officer
7 April 2016